MT LEGISLATIVE HISTORY

Chapter 294 19 74

Bill H ~~593~~ 705 S _____ Original bill & hist. ___C

H. Committee on ~~Hwys & H. Fish~~ Select Gambling S. Committee on Fish & Game

Hearing Date(s)		C	Hearing Date(s)		C
	1/11	C			C
	1/15	C			C
		C			C
		C			C
Date Out		C			C

BEST COPY AVAILABLE

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

43rd LEGISLATIVE SESSION 1974

COMMITTEE ON GAMBLING

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CONCURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CONCURRED IN DATE
586	1/15/74	1/21/74	1/29/74		1/29/74				
632	1/16/74	2/5/74	Held in Committee						
HOUSE									
BILL NO.									
507	1/12/74	1/24/74	1/30/74					1/30/74	
700	1/12/74	1/21/74	1/29/74					1/30/74	
703	1/12/74	1/21/74	1/29/74					1/30/74	
705	1/12/74	1/24/74	1/29/74				1/30/74		
706	1/12/74	1/24/74	1/29/74						1/30/74
962	3/12/74								

(Use Separate Sheet for Senate, House Bills, and Resolutions)

MINUTES OF MEETING
SENATE SELECT
COMMITTEE ON GAMBLING

January 24, 1974

The meeting of the Senate Select Committee on Gambling was called to order by Chairman Gordon McGowan at 8:00 P.M.

Chairman McGowan gave a brief background of the work of the Select Committee on Gambling, consisting of five House members and five Senate members, which studied the problem during the interim.

The Chairman told the group gathered the purpose of this meeting was to consider three of the bills before the committee, HB 705, HB 706, and HB 507, in that order. He laid down the rule that anyone who wished to testify must present testimony only on the bills.

Consideration of HB 705

Representative Walter Ulmer of Miles City, one of the sponsors, and the Vice Chairman of the Interim Select Committee on Gambling explained the provisions of this bill, which deals with bingo and raffles. There was no testimony presented in opposition to the bill.

Consideration of HB 706

Representative Robert Brown, a member of the interim committee, and chief sponsor of this bill spoke in support of the bill, which provides for a State Lottery. He gave testimony from a report which was made to the interim committee by Mr. Madden of Mathematics, Inc., copy of which is attached to these minutes.

Consideration of HB 507

This bill was the one bill carried over from last session. Representative J. D. Lynch, chief sponsor, spoke on the bill and in support of it, although he said it bears little resemblance to his original bill, and has been amended down so that it now provides for sport polls, some forms of card games and a limited form of poker. He introduced a manufacturer of punchboards from the State of Illinois who gave some testimony as follows:

Mr. Pat Zurla, a manufacturer of punchboards in the State of Illinois testified in favor of having punchboards included in HB 507. He testified that seven states now have legalized punchboards and that they are strictly controlled. He also stated he would like to visit privately with the members of the committee so that he could give a more complete explanation of punchboards, their operation and control.

I House Bill 705 : Bingo, Raffles

A Bingo Licence Fees

1. 1700 establishments @ $375 licence = $ 300,000
2. 500 establishments @ $50 licence = $ 25,000

B. Raffle Licence Fees

1. 1200 establishments @ $250 licence = $300,000
2. 500 establishment @ $50 licence = 25,000

C. TOTAL Fees from Bingo, Raffle Licences = $650,000

II House Bill 703: Card Games (excluding Poker)

A Basic Licence Fees

1000 establishments @ $250 = $ 250,000

B Additional Fees

1. 700 establishments @ 2 tables each = 50,000
2. 1000 establishments @ 1 table @ $10 = 10,000

C Total Fees from Card Games $ 310,000

Leo Graybill, Jr., appeared on behalf of World Wide Press, a factory in Great Falls which manufactures paper products and which plans to manufacture punchboards if they should be approved in Montana. He stated that should punchboards be approved they would probably employ about 100-125 people at their factory, and among them would be some handicapped people.

Mr. Al Daugherty, Attorney for Montana Coin Machine Operators Assn. made a statement to the committee. He said he accepts the finding of the poll conducted by the Crime Control Commission that the people of Montana do not want casinos, but only limited form of gambling. Mr. Daugherty recommended and urged the committee to draft an amendment to HB 507 to license, regulate and control pinball machines in conformity with the findings of the poll. He stated that pinball machines would be a good source of revenue to the state.

The Chairman of the Committee then stated that he would invite questions now from anyone on any of the bills discussed.

No questions or statements were submitted on HB 705, the bingo and raffles bill.

HB 706, Lottery Bill

Rev. George Harper appearing in opposition to the bill on behalf of the United Methodist Churches of Montana. He read prepared statement which he had submitted to the committee at the meeting which was held on January 21st, and which is attached to the minutes of that meeting.

Senator Lowe asked Representative Bob Brown to go over again the figures which he had presented in his earlier statement. Senator Lynch stated that the lottery in New Hampshire was bringing in less revenue than formerly, and that this seemed to be a pattern with a state lottery. Representative Brown stated that South Dakota would be more representative of Montana and that the lottery there was producing good revenue for the state.

HB 705

Senator Turnage opened a discussion on the question of legalizing poker. It seemed to be the feeling of those present that it did not make sense to legalized other card games and not legalize poker, since it is probably the most popular of all card games in which gambling is involved. Senator Turnage also questioned why the State of Nevada has never legalized punchboards. Mr. Graybill and Mr. Zurla both agreed that it was because they had much better ways to make money from gambling and that punchboards are the mildest form of gambling, and Nevada simply didn't want to be concerned with them when they have big time gambling making revenue for the state.

Disposition of HB 705

After a brief discussion, it was moved by Senator Turnage that HB 705 BE CONCURRED IN, seconded by Senator Lynch. Motion carried unanimously.

Disposition of HB 706

After brief discussion by the committee, it was moved by Senator Turnage, seconded by Senators Moore, Lowe and Lynch, that HB 706 BE NOT CONCURRED IN. This motion passed unanimously.

Consideration of HB 507

The committee discussed the bill, and language pertaining sports pools that would prevent any chances being sold away from the premises where the game is licensed.

Senator Lynch moved that the stricken portions of the bill relating to slot machines on pages 4 and 5 of the third reading bill, and on pages 10, 122, 12 and 13 be reinserted, and that slot machines be included as one of the legalized forms of gamb ling to be authorized by the state of Montana. This motion was seconded by Senator Flynn. Upon roll call vote the motion failed, with only Senators Lynch and Flynn voting for the amendment.

Senator Lowe discussed Sec. 7, page 10 and the language there referred to the maximum "prize" for a poker game and it was explained by Rosemary Zion, Attorney for the Interim Committee, that it was done this way to conform to the rest of the language in the bill, which uses the word "prize" for each game to be authorized in the bill.

It was moved that the committee meet again on adjournment on Wednesday, January 30, to complete consideration of HB 507 and to hear SB 632. The meeting was then adjourned.

GORDON McGOWAN, Chairman

of the public health, welfare and safety of the citizens of the state of Montana and to assure compliance with the intent of this act.

Section 9. There is a new section to be numbered 62-709, R.C.M. 1947, which reads as follows:

62-709. **Minors may not participate.** No person under the age of eighteen (18) years shall be permitted to participate in any game or games of chance held, operated or conducted pursuant to this act.

Section 10. There is a new section to be numbered 62-710, R.C.M. 1947, which reads as follows:

62-710. **Cheating unlawful.** It shall be unlawful to conduct or participate in a gambling game authorized by this act or any other gambling law in any manner which results in cheating, misrepresentation or other such disreputable tactics which distract from a fair and equal chance for all participants or which otherwise affects the outcome of the gambling game.

Section 11. There is a new section to be numbered 62-711, R.C.M. 1947, which reads as follows:

62-711. **Peace officers to enforce act.** It shall be the duty of all peace officers to enforce the provisions of this act and to arrest and complain against any person violating any provision of this act. It shall be the duty of the county attorney of the respective county to prosecute all violations of this act in the manner and form as is provided by law and it shall be a misdemeanor for any such person or persons to knowingly fail to perform his or her duty under this section.

Section 12. There is a new section to be numbered 62-712, R.C.M. 1947, which reads as follows:

62-712. **Penalty for violation of act.** Every person who willfully violates or who procures, aids or abets in the willful violation of this act or any ordinance, resolution or regulation adopted pursuant thereto shall be deemed guilty of a misdemeanor and upon conviction, shall be punished by a fine of not more than one thousand dollars ($1,000) or imprisonment in the county jail for not more than three (3) months, or both.

Section 13. There is a new section to be numbered 62-713, R.C.M. 1947, which reads as follows:

62-713. **Venue.** Venue for all cases involving violations of this act is in the district court.

Section 14. There is a new section to be numbered 62-714, R.C.M. 1947, which reads as follows:

62-714. **Prior laws still in effect.** To the extent that they are not specifically superseded by provisions of this act or any other gambling law, the provisions of sections 94-8-401 through 94-8-431, R.C.M. 1947, remain in effect.

Section 15. **Severability.** If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity

shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Section 16. **Effective date.** This act is effective on its passage and approval.

Approved March 25, 1974

CHAPTER NO. 294

AN ACT MAKING LAWFUL THE CONDUCTING OF GAMES OF CHANCE COMMONLY KNOWN AS BINGO AND RAFFLES; DEFINING TERMS; PERMITTING LOCAL LICENSING AND REGULATION; PROVIDING PENALTIES; AND PROVIDING AN EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. There is a new section to be numbered 62-715, R.C.M. 1947, which reads as follows:

62-715. **Short title.** This act shall be known and may be cited and referred to as the "Bingo and Raffles Law."

Section 2. There is a new section to be numbered 62-716, R.C.M. 1947, which reads as follows:

62-716. **Definitions.** As used in this act, unless the context otherwise requires, the following terms or phrases shall have the following meanings:

(1) "Game of chance" means the specific kind of game of chance commonly known as:

(a) "bingo," in which prizes are awarded on the basis of designated numbers or symbols on a card which conform to numbers or symbols selected at random; and such prizes must be in tangible personal property only and not in money, cash, stocks, bonds, evidences of indebtedness, or other intangible personal property and must not exceed the value of one hundred dollars ($100) for each individual bingo award. The price for an individual bingo card shall not exceed fifty cents ($.50). It shall be unlawful to, in any manner, combine any awards so as to increase the ultimate value of such award;

(b) "raffles," which are conducted by drawing for prizes. Prizes must be in tangible personal property only and not in money, cash, stocks, bonds, evidences of indebtedness, or other intangible personal property and must not exceed the value of one thousand dollars ($1,000) for each individual raffle card. It shall be unlawful to, in any manner, combine any awards so as to increase the ultimate value of such award.

(2) "Equipment" means:

(a) with respect to bingo, the receptacle and numbered objects drawn from it, the master board upon which such objects are placed as drawn, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the numbers or designations as they are drawn, public address system, and all other articles essential to the operation, conduct and playing of bingo; or

(b) with respect to raffles, the implements, devices and machines designed, intended or used for the conduct of raffles and the identification of the winning number or unit and the ticket or other evidence of right to participate in raffles.

Section 3. There is a new section to be numbered 62-717, R.C.M. 1947, which reads as follows:

62-717. **Restrictions on bingo and raffles.** In the playing of bingo, no person who is not physically present on the premises where the game is actually conducted shall be allowed to participate as a player in the game. Raffles authorized by this act shall be restricted to events and participants within the geographic confines of the state of Montana.

Section 4. There is a new section to be numbered 62-718, R.C.M. 1947, which reads as follows:

62-718. **No raffle drawing before thirty (30) days or after ninety (90) days.** No raffle drawing may be held nor winner determined unless the chances to participate have been offered for sale for at least thirty (30) days prior to the drawing. The drawing shall take place no later than ninety (90) days after the first offering for sale of chances to participate.

Section 5. There is a new section to be numbered 62-719, R.C.M. 1947, which reads as follows:

62-719. **Local governing bodies may issue licenses.** (1) Any city, town or county may issue licenses for the gambling games provided for in this act to be conducted on premises which have been licensed for the sale of liquor, beer, food, cigarettes or any other consumable products. Within the cities or towns, such licenses may be issued by the city or town council or commission. Licenses for games conducted on premises outside the limits of any city or town may be issued by the county commissioners of the respective counties. When a license has been required by any city, town or county, no gambling game as provided for in this act shall be conducted on any premises which have been licensed for the sale of liquor, beer, food, cigarettes or any other consumable product without such license having first been obtained.

(2) Any governing body may charge an annual license fee for each license so issued under this act, which license fee, if any shall expire on June 30 of each year, and such fee shall be prorated.

(3) Any license issued pursuant to this act shall be deemed to be a revocable privilege, and no holder thereof shall acquire any vested rights therein or thereunder.

Section 6. There is a new section to be numbered 62-720, R.C.M. 1947, which reads as follows:

62-720. **Governing body may establish regulations.** The governing body authorized to issue gambling licenses pursuant to this act shall have the authority to establish by ordinance or resolution regulations governing the qualifications for and the issuing, suspension and revocation of such gambling licenses. These regulations, in addition to any other requirements, shall provide that no license shall be issued to:

(1) A person who has been convicted of being the keeper or is keeping a house of ill fame.

(2) A person who has been convicted of pandering or other crime or misdemeanor opposed to decency and morality, under the laws of the federal government or any state of the United States.

(3) A person whose license issued under this act has been revoked for cause.

(4) A person who at the time of application for renewal of any license issued hereunder would not be eligible for such license upon a first application.

(5) A person who is not a citizen of the United States and who has not been a resident of the state of Montana for at least one (1) year immediately preceding the filing of the application for license.

(6) A person who is not the owner and operator of the business. Additional regulations may also be adopted for the purpose of the protection of the public health, welfare and safety of the citizens of the state of Montana and to assure compliance with the intent of this act.

Section 7. There is a new section to be numbered 62-721, R.C.M. 1947, which reads as follows:

62-721. **Minors not to participate.** No person under the age of eighteen (18) years shall be permitted to participate in any game or games of chance held, operated or conducted pursuant to this act.

Section 8. There is a new section to be numbered 62-722, R.C.M. 1947, which reads as follows:

62-722. **Peace officers to enforce act.** It shall be the duty of all peace officers to enforce the provisions of this act and to arrest and complain against any person violating any provision of this act. It shall be the duty of the county attorney of the respective county to prosecute all violations of this act in the manner and form as is provided by law and it shall be a misdemeanor for any such person or persons to knowingly fail to perform his or her duty under this section.

Section 9. There is a new section to be numbered 62-723, R.C.M. 1947, which reads as follows:

62-723. **Penalty for violation of act.** Every person who willfully violates or who procures, aids or abets in the willful violation of this act or any ordinance, resolution or regulation adopted pursuant thereto shall be deemed guilty of a misdemeanor and upon conviction, shall be punished by a fine of not more than one thousand dollars ($1,000) or imprisonment in the county jail for not more than three (3) months, or both.

Section 10. There is a new section to be numbered 62-724, R.C.M. 1947, which reads as follows:

62-724. **Gambling on cash basis.** (1) In every gambling game conducted pursuant to any gambling law of the state the consideration paid for the chance to play shall be strictly cash. Every participant must present the money with which he intends to play the gambling game at the time the game is played. No check, credit card, note, I.O.U. or other evidence of indebtedness shall be offered or accepted as part of the price of participation in a gambling game or as payment of a gambling debt.

(2) No action based on a gambling debt is maintainable in a court of this state.

Section 11. There is a new section to be numbered 62-725, R.C.M. 1947, which reads as follows:

62-725. **Cheating unlawful.** It shall be unlawful to conduct or participate in a gambling game authorized by this act or any other gambling law in any manner which results in cheating, misrepresentation or other such disreputable tactics which distract from a fair and equal chance for all participants or which otherwise affects the outcome of the gambling game.

Section 12. There is a new section to be numbered 62-726, R.C.M. 1947, which reads as follows:

62-726. **Bingo and raffles exempt from prior law.** Bingo and raffles as in this act authorized are exempt from the provisions of sections 94-8-301 through 94-8-311, R.C.M. 1947.

Section 13. **Severability.** It is the intent of the legislature that if a part of this act is invalid, all valid parts severable from the invalid parts remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 14. **Effective date.** This act is effective on its passage and approval.

Approved March 25, 1974

CHAPTER NO. 295

AN ACT AMENDING SECTION 53-438, R.C.M. 1947, TO PROVIDE THAT A MOTOR VEHICLE INSURANCE PREMIUM MAY NOT BE INCREASED DURING THE TERM OF THE POLICY.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 53-438, R.C.M. 1947, is amended to read as follows:

"53-438. **Motor vehicle liability policy defined.** (a) A "motor vehicle liability policy" as said term is used in this act shall mean an owner's or operator's policy of liability insurance, certified as provided in section 53-436 or section 53-437 as proof of financial responsibility and issued, except as otherwise provided in section 53-437, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.

(b) Such owner's policy of liability insurance:

1. shall designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby to be granted; and

2. shall insure the person named therein and any other person, as insured, using any such motor vehicle or motor vehicles with the express or implied permission of such named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of such motor vehicle or motor vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such motor vehicle, as follows: ten thousand dollars ($10,000) because of bodily injury to or death of one person in any one accident and subject to said limit for one person, twenty thousand dollars ($20,000) because of bodily injury to or death of two or more persons in any one accident, and five thousand dollars ($5,000) because of injury to or destruction of property of others in any one accident.

(c) Such operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth above with respect to an owner's policy of liability insurance.

(d) Such motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period and the limits of liability, and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this act as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this act.

(e) Such motor vehicle liability policy need not insure any liability under any workmen's compensation law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance or repair of any such motor vehicle nor any liability for damage to property owned by, rented to, in charge of or transported by the insured.

(f) Every motor vehicle liability policy shall be subject to the following provisions which need not be contained therein: 1. the liability of the insurance carrier with respect to the insurance required by this act shall become absolute whenever injury or damage covered by said motor vehicle liability policy occurs; said policy may not be canceled or annulled as to